PERD's Objectives:
PERD's objectives were to provide information on the unprecedented number of unemployment claims filed in response to the COVID-19 pandemic, the amount paid in fraudulent claims, and the causes for many fraudulent claims being paid.

Conclusion:
WorkForce is learning, along with other states, from its experiences with the COVID-19 pandemic, and is developing proactive processes for addressing suspected fraud activity. The agency is developing and implementing procedures to enhance its fraud detection such as cross-matching, an investigations unit, and partnerships with national and state agencies. These procedures should hinder future fraudulent unemployment payments.

December 2021

Special Report:
WorkForce West Virginia Unemployment Claims Data During the COVID-19 Pandemic

Report Overview:
WorkForce West Virginia (WorkForce) Paid Nearly $83 Million in Fraudulent Unemployment Claims During the COVID-19 Pandemic.

What Did PERD Find?

- The total number of unemployment claims processed by WorkForce as a result of the COVID-19 pandemic increased from 52,816 in CY 2019 (pre-pandemic) to 457,399 in CY 2020.

- WorkForce's claims process was not designed for the unprecedented number of claims received, and the allowances of self-certification of federal pandemic unemployment assistance program claims.

- Consequently, WorkForce paid nearly $83 million in fraudulent unemployment claims during CY 2020.

- Unemployment insurance agencies throughout the country had similar experiences.

- Prior to the pandemic, WorkForce did not employ cross-matching mechanisms with other state agencies for fraud detection/prevention.

- WorkForce has implemented a fraud unit, a cross-match unit, and an investigations unit in addition to developing partnerships with various state agencies to cross-match data and to identify "bad actors."

Figure 1
Monthly Regular Unemployment, PUA, and PEUC Claims Received by WorkForce September 2019 to September 2021